Government of Saskatchewan

Annual Report 1982-83

Judges of the Provincial Court Superannuation Fund

Regina, Saskatchewan.
June 30, 1983.

His Honour F. W. Johnson,
Lieutenant Governor,
Province of Saskatchewan.

Sir:

I have the honour to transmit herewith the fifth Annual Report of the Judges of the Provincial Court Superannuation Fund for the year ending March 31, 1983.

I have the honour to be, Sir

Your Obedient Servant,

R. L. Andrew,
Minister of Finance

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Introduction

Section 27(1) of The Provincial Court Act established the Judges of the Provincial Court Superannuation Fund to provide pensions to judges employed by the Province. Previously pensions had been provided to qualifying judges through The Magistrates' Courts Act. Judges appointed at the time the Fund was established had the option of retaining the benefits provided under The Magistrates' Courts Act, or opting to contribute to the Fund and earn a pension under The Provincial Court Act. Service under The Magistrates' Courts Act is included as service in the calculation of pensions under The Provincial Court Act.

Operation of the Plan

The Fund is credited with contributions paid by judges and with interest earned on the investment of moneys in the Fund. Payments may be made out of the Fund for pensions, annuities, supplementary allowances, refunds and interest. Any deficiency in the Fund shall be paid out of the Consolidated Fund.

The payment of annuities, granted under The Magistrates' Courts Act, to retired magistrates or widows of retired magistrates are continued under The Provincial Court Act. The annuities are considered to be a deficiency in the Fund and are reimbursed by way of a payment from the Consolidated Fund each fiscal year. The deficiency payment for the period April 1, 1982 to March 31, 1983 amounted to $110,533.

The Judges of the Provincial Court Superannuation Plan is a formula pension plan which provides pensions based on average salary and years of service as a Judge or Magistrate. The Magistrates' Courts Act provides an allowance to qualifying magistrates based on earnings at time of retirement.

Spouses of those eligible for, or in receipt of pension, are entitled to 50% of the pension upon the death of the recipient.

Contributions and Membership

During the fiscal year 1980-81 the Act was amended to require contributions by the judges as follows: For the period October 1, 1978 to December 31, 1980, judges contributed 9% of their salary to the Fund. On and after January 1, 1981 judges shall contribute 9% of their salary to the maximum deductible contribution to a registered pension plan, as allowed in the Income Tax Act (Canada) and as amended from time to time. The contribution limits include required contributions to the Canada Pension Plan.

Contributions to the Fund for the year totalled $140,299 and there were 39 judges contributing to the Fund at March 31, 1983.

Pensions

Annuities paid to retired judges, or their widows, under both The Magistrates' Courts Act and The Provincial Court Act totalled $114,660 for the fiscal year 1982-83.

Investments

Saskatchewan Finance, Investment and Financial Services Division is responsible for managing the investments of the Fund. The investment policy directs that the assets of the Fund shall be in long-term, high quality investments yielding the best possible return with minimum risk. At March 31, 1983 the book value of the investment portfolio was $709,285. Of this amount $606,519 was invested in bonds while $102,766 was in short-term investments.

Administration

In accordance with Section 27(4) of the Act, expenses of administering the Judges of the Provincial Court Superannuation Fund are not charged to the Fund but are to be paid out of moneys appropriated by the Legislature.

Administration of the Fund is presently assigned to the Public Employees Benefits Agency with no significant increase in the existing costs of that unit.

Judges of The Provincial Court Superannuation Fund

Financial Statements

Year Ended March 31, 1983

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Judges of The Provincial Court Superannuation Fund

Financial Statements

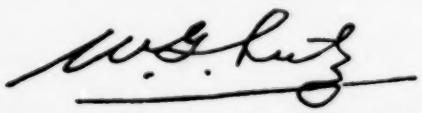
Year Ended March 31, 1983

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Judges of the Provincial Court Superannuation Fund as at March 31, 1983 and the statements of members' accumulated balances and unallocated fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
August 29, 1983

W. G. Lutz, F.C.A.,
Provincial Auditor.

Judges of The Provincial Court Superannuation Fund

Statement of Financial Position

March 31, 1983

(With comparative figures at March 31, 1982)

	1983	1982
Assets		
Cash	$ 2,321	$ —
Contributions receivable	15,820	13,749
Accrued interest receivable	31,273	22,274
	49,414	36,023
Investments (Note 2(a) and Schedule 1)	709,285	499,640
	$ 758,699	$ 535,663
Liabilities and Fund Balance		
Outstanding cheques less cash on deposit	$ —	$ 408
Accounts payable	1,425	1,426
	1,425	1,834
Fund balance (Note 4):		
Members' accumulated balances (Statement 2)	616,064	475,765
Unallocated fund balance (Statement 3)	141,210	58,064
	757,274	533,829
	$ 758,699	$ 535,663

(See accompanying notes)

Statement 2

Judges of the Provincial Court Superannuation Fund

Statement of Members' Accumulated Balances

Year Ended March 31, 1983

(With comparative figures for the previous year)

	1983	1982
Balance, beginning of year	$ 475,765	$ 351,803
Add: Contributions by judges	140,299	131,034
	616,064	482,837
Deduct: Transfer of contributions to unallocated fund balance re retiring judge	—	7,072
	—	7,072
Balance, end of year	$ 616,064	$ 475,765

(See accompanying notes)

Judges of the Provincial Court Superannuation Fund

Statement of Unallocated Fund Balance

Year Ended March 31, 1983

(With comparative figures for the previous year)

	1983	1982
Balance, beginning of year	$ 58,065	$ 18,552
Add: Annuity deficiency payment from Consolidated Fund (Note 2(c))	110,533	55,735
Investment income	87,272	63,318
Transfer of contributions from members' accumulated balances re retiring judge	—	7,072
	255,870	144,677
Deduct: Annuities paid under:		
The Magistrates' Courts Act (Note 2(c))	50,690	55,735
The Provincial Court Act	63,970	30,878
	114,660	86,613
Balance, end of year	$ 141,210	$ 58,064

(See accompanying notes)

Judges of The Provincial Court Superannuation Fund

Notes to Financial Statements

March 31, 1983

1. **Authority**

   The Judges of the Provincial Court Superannuation Fund was established under The Provincial Court Act to provide for the payment of pensions and allowances as authorized by that Act. The fund is credited with contributions paid by judges, as required by the Act, and with investment earnings of the fund. The Act was proclaimed in effect October 1, 1978 and the fund has legally existed since that date.

2. **Significant Accounting Policies**

   a) **Investments**

   The fund records investments at cost or amortized cost where applicable. Amortization of premiums or discounts is calculated on a straight line basis from acquisition date to maturity date.

   Gains or losses on sales of investments are deferred and amortized over the remaining term of the security sold.

   b) **Administrative Costs**

   In accordance with section 27 (4) of The Provincial Court Act, all general administrative and employee costs required for the administration of the fund are paid out of the Consolidated Fund of the Province of Saskatchewan. Accordingly, no provision for such costs is included in these financial statements.

   c) **Annuity Deficiency Payment**

   Section 52 of The Provincial Court Act provides that annuities being paid under The Magistrates' Courts Act shall be paid out of the superannuation fund. Section 31 of The Provincial Court Act provides that a judge of the Magistrates Court prior to October 1, 1978 may elect to receive the benefits to which he was entitled under The Magistrates' Courts Act rather than contributing to the fund and receiving benefits as determined by The Provincial Court Act. Section 27 (3) of The Provincial Court Act provides that any deficiency in the fund shall be paid out of the Consolidated Fund. Accordingly, the annuities which are now or will become payable under The Magistrates' Courts Act are considered to be a deficiency and are reimbursed to the fund by way of a statutory appropriation from the Consolidated Fund each year. On April 1, 1982, the interpretation of the term "deficiency" was expanded to include any amounts payable under The Provincial Court Act to superannuates which are in excess of an individual's accumulated contributions, and the reimbursements from the Consolidated Fund have been increased accordingly.

3. **Actuarial Report**

As outlined in Notes 1 and 2(c), benefits under The Magistrates' Courts Act and The Provincial Court Act are to be paid from the Judges of the Provincial Court Superannuation Fund. An actuarial valuation was performed as at January 1, 1983 on the pension plan for the Saskatchewan Provincial Court Judges including the implication of benefits payable under both Acts.

The report states that using the Aggregate Attained Age Method with Supplemental Liability the plan has an unfunded accrued liability of $6.3 million. In addition, the report states the future cost of the plan will be 17.11% of the judges' salaries in order to meet the cost of benefits to be earned for service after the valuation date.

4. **Fund Balance**

a) **Members' Accumulated Balances**

Members' accumulated balances represent the amounts that have been contributed by members to the plan at year end. These balances do not represent the accrued value of retirement benefits earned by members since retirement benefits under the plan are based on years of service and salary levels.

Upon a member withdrawing from the plan, the members' accumulated contributions are refunded. Where a member superannuates, his accumulated contributions are transferred to the credit of the unallocated fund balance described in note 4(b).

b) **Unallocated Fund Balance**

The unallocated fund balance is composed of:

i) the accumulated contributions at rates stipulated in "The Provincial Court Act" of all superannuates; and

ii) investment income

reduced by pension payments made to superannuates and interest allocated to members' accumulated contributions at such time as they withdraw from the plan.

Schedule 1

Judges of The Provincial Court Superannuation Fund

Schedule of Investments

March 31, 1983

(With comparative figures at March 31, 1982)

	1983		1982	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Government of Canada May 15, 1983 8¾%	$ 24,973	$ 24,950	$ 24,760	$ 23,250
Government of Canada February 1, 1984 9¾%	24,978	24,950	24,951	22,750
Province of Saskatchewan May 15, 2004 10%	87,234	82,500	86,630	64,250
Province of Saskatchewan April 1, 2001 10¼%	39,297	42,500	38,703	33,250
Province of Saskatchewan December 2, 1999 10%	87,580	93,240	86,177	72,705
Province of Saskatchewan April 1, 1986 13 3/8%	145,182	168,000	140,247	150,000
Province of Saskatchewan December 1, 2002 13%	197,295	202,500	—	—
	606,539	638,640	401,468	366,205
Less unamortized gain on investments sold	(20)	—	(45)	—
	606,519	638,640	401,423	366,205
Short term investments	102,766	102,766	98,217	98,217
	$ 709,285	$ 741,406	$ 499,640	$ 464,422